



PRESS RELEASE

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IRS – Criminal Investigation

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Virginia Man Pleads Guilty to Federal Charges for Role in Massive Identity Theft and Tax Fraud Scheme

Worked With Others to Seek Over \$1.5 Million in Fraudulent Refunds

A federal district court judge accepted a Virginia man's plea of guilty today for his involvement in a far-reaching stolen identity refund fraud scheme in which he conspired with others to seek over \$1.5 million in income tax refunds through the filing of fraudulent federal income tax returns, announced Acting Assistant Attorney General Caroline D. Ciralo of the Justice Department's Tax Division, U.S. Attorney Channing D. Phillips of the District of Columbia, Special Agent in Charge Thomas Jankowski of the Internal Revenue Service-Criminal Investigation (IRS-CI), Inspector in Charge Maria L. Kelokates of the U.S. Postal Inspection Service's Washington Division and Assistant Inspector General for Investigations John L. Phillips of the U.S. Department of the Treasury.

Bradley King, 35, of Fredericksburg, Virginia, is among approximately 19 participants in this scheme who have pleaded guilty to charges in the U.S. District Court for the District of Columbia. According to court documents, the overall case involves the filing of at least 12,000 fraudulent federal income tax returns that sought refunds of at least \$42 million. King pleaded guilty to one count of conspiracy to defraud the United States with respect to claims, one count of theft of public money and one count of aiding and abetting in fraud and related activity in connection with identification documents.

The charges carry a total statutory maximum prison term of 35 years. As part of the plea agreement, King agreed to pay \$493,436 in restitution to the IRS. King also is subject to a forfeiture money judgment in the amount of \$5,400. Sentencing is set for May 18 before U.S. District Judge Ellen S. Huvelle.

According to the government's evidence, King participated in a massive and sophisticated stolen identity refund fraud scheme that involved an extensive network of more than 130 people, many of whom were receiving public assistance. The refunds were sought for tax years 2005 through 2013, often in the names of individuals whose identities had been stolen, including the elderly, residents of assisted living facilities, drug addicts and incarcerated prisoners. Returns were also filed in the names of and refunds were issued to, people who were willing participants in the scheme. The refunds listed more than 400 "taxpayer" addresses located in the District of Columbia, Maryland and Virginia.

According to documents filed with the court, King's involvement in the scheme began in 2008 and continued through July 2015. Initially, he permitted co-conspirators to use his name, social security number and residential address for the creation and submission of fraudulent income tax returns. From March 2010 through July 2015, he recruited others to provide him with means of identification for use in preparing and filing fraudulent returns. He also recruited others to permit the use of their residential addresses on fraudulent returns that he prepared and filed. King split the proceeds of the fraudulently obtained U.S. Treasury checks with his co-conspirators. In addition, he and others used bank accounts for the negotiation of refund checks that were issued in the names of other persons. Finally, according to the court documents, King sold fraudulently obtained refund checks to another individual in June 2015.

Taking together the losses generated by the use of residential addresses and bank accounts under his control, including checks associated with his co-conspirators, King was responsible for the filing of approximately 444 fraudulent returns that sought more than \$1.5 million in tax refunds. King's actions led to a total actual loss of approximately \$493,436 to the U.S. Treasury, based on the negotiation of 153 U.S. Treasury checks listing addresses under his control and/or negotiated by his recruits.

In announcing the plea, Acting Assistant Attorney General Ciraolo, U.S. Attorney Phillips, Special Agent in Charge Jankowski, Inspector in Charge Kelokates and Assistant Inspector General Phillips commended those who investigated the case. They also acknowledged the efforts of those who worked on the case from the U.S. Attorney's Office of the District of Columbia, including former Assistant U.S. Attorney Sherri L. Schornstein and Paralegal Specialists Donna Galindo and Julie Dailey. Finally, they expressed appreciation for the work of Assistant U.S. Attorney Ellen Chubin Epstein of the District of Columbia's Fraud and Public Corruption Section and Trial Attorneys Jeffrey B. Bender and Thomas F. Koelbl and former Trial Attorney Jessica Moran of the Tax Division, who prosecuted the case.

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